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Commentary: New focus on business operations across DoD

By DAVID FISHER

President Barack Obama is achieving an historic first by retaining the leadership of Defense Secretary Robert Gates. Other dramatic firsts are also about to take place under new leadership positions Congress established to strengthen management across the department and military branches.

Specifically, through the 2008 and 2009 Defense authorization acts, the highest-level leadership and responsibility for managing DoD business operations will belong to the deputy Defense secretary, who will also serve as chief management officer (CMO). The president has nominated Raytheon executive William Lynn, a top official in the Clinton Pentagon, for the post. The CMO will be supported by a newly created, Senate-confirmed deputy chief management officer (DCMO). Finally, each of the military services will establish a CMO and a supporting Office of Business Transformation.

Three years ago, the Business Transformation Agency (BTA) within the Office of the Secretary of Defense was established. As the director of that agency, I lead a team focused on driving change throughout DoD in the area of business operations. Congress also aligned BTA within the new DoD business leadership suite, and I welcome the new administration by posing four issues to consider that the BTA repeatedly encounters:

- Why is the business mission area important for a military organization?
- Why is progress in improving business operations so elusive?
- What does success look like?
- What are some of the guiding principles that enable the way ahead?

The business mission area is important for a military organization in supporting our war fighters and senior-level decision makers. Soldiers need business systems and operations that result in timely product delivery, accurate pay and transparent information flow, and that operate with a bureaucracy that is a means to an end — not an end in itself. Decision makers require access to timely, reliable and accurate information to effectively lead and manage.

Progress is elusive in fixing long-standing challenges. In the last few years, we have rolled up our sleeves and produced improved governance and focus and delivered tangible improvements in the area of business capabilities. Yet we still battle the cultural barriers inherent in large, complex organizations that tend to yield a narrow focus that strongly adheres to the status quo. The result is that tremendous energy goes into optimizing individual pieces of the organization, but yields the unintentional result of suboptimizing the whole.

Success looks like business capabilities being delivered across our individual business functions in the form of end-to-end processes or value chains, not silos. We might still organize by functions, but we must build on the strategic alignment that the new statutes establish, and adopt governance models, shared focus and communication that span our discrete organizational elements. Technology can enable success, but only in an environment ready for change.

There are six guiding principles that will provide value for the way ahead. These will enable DoD to build on the new statutory changes at the leadership levels in OSD and the military branches.

- **Achieve strategic alignment** among the department's leaders, facilitated in part by the new DCMO, to ensure a common approach and set of priorities that will be consistently governed.
- **Standardize data, processes and business rules** that are essential in order to significantly enhance the ability to process and share information throughout DoD and the military services.
- **Simplify the department's complex business rules** that unnecessarily complicate transaction processing and lead to expensive and risk-filled solutions.
- **Streamline the department's core end-to-end business processes.**
- **Eliminate stovepipes** from solution design and deployment.
- **Deploy systems and services in a timely and cost-effective manner** with a conscious focus on sound requirements management and comprehensive risk mitigation.

The new business management leaders across the Defense Department and the military have an enormous opportunity to build on their own strategic alignment, and begin with a commitment to these guiding principles. The stakeholders are our war fighters and our citizens. What could be more important?

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